

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

|                            |   |                   |
|----------------------------|---|-------------------|
| THE ADJUSTMENT OF RATES OF | ) |                   |
| AUXIER ROAD GAS COMPANY    | ) | CASE NO. 10288-DD |

O R D E R

On April 10, 1991, in Case Nos. 10288-D and 10288-E, the Commission approved the gas cost adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the quarterly adjustment of its rates.

On February 26, 1998, Auxier filed its GCA to be effective April 1, 1998 to July 1, 1998.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. In its notice, Auxier proposed revised rates designed to pass on to its customers the expected decreased gas costs from its suppliers. Auxier miscalculated its EGC by failing to use a Btu conversion. Auxier's EGC for the quarter beginning April 1, 1998 should be \$3.0983 per Mcf instead of \$3.0000 per Mcf.
2. Auxier's notice set out no refund adjustment.
3. Auxier's notice set out a current quarter actual adjustment ("AA") of (.20) cent per Mcf to return over-recovered gas cost from October, November, and December 1997.

The total AA of (34.70) cents per Mcf is designed to reflect the current over-collection, as well as under- and over-recoveries from previous periods.

4. Auxier's notice set out a current quarter balance adjustment ("BA") of (.60) cents per Mcf. The total BA of (2.5) cents per Mcf includes reconciling BA adjustments from previous quarters.

5. These adjustments produce a gas cost recovery rate of \$2.7263 Mcf, 4.63 cents per Mcf more than the prior rate.

6. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective with service rendered on and after April 1, 1998.

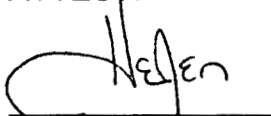
IT IS THEREFORE ORDERED that:

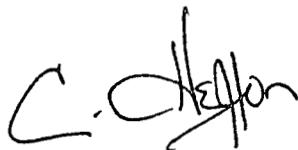
1. The rates proposed by Auxier are hereby denied.
2. The rates in the Appendix to this Order are fair, just, and reasonable and are approved effective for service rendered on and after April 1, 1998.
3. Within 30 days of the date of this Order, Auxier shall file with the Commission its revised tariffs setting out the rates authorized herein.


Done at Frankfort, Kentucky, this 26th day of March, 1998.

PUBLIC SERVICE COMMISSION

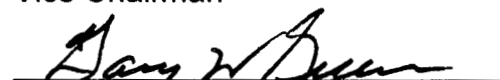
ATTEST:

  
Executive Director



  
Chairman

  
Vice Chairman

  
Commissioner

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10288-DD DATED MARCH 26, 1998

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

#### RATES:

|                          | <u>Base Rate</u> | <u>Gas Cost<br/>Recovery<br/>Rate</u> | <u>Total</u> |
|--------------------------|------------------|---------------------------------------|--------------|
| First Mcf (Minimum Bill) | \$5.11           | \$2.7263                              | \$7.8363     |
| All Over 1 Mcf Per Mcf   | 4.2599           | 2.7263                                | 6.9862       |